

**STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND AND WATER
and
DEPARTMENT OF ENVIRONMENTAL CONSERVATION
DIVISION OF WATER**

SURETY BOND

Bond Number: 1084283

DNR Reclamation Plan Approval Number: J122711

DEC Waste Management Permit Number: 2013-DB0001

Term of Bond: Until final reclamation approved by DNR or replacement by another approved form of financial assurance.

Know all people by these presents, that Niblack Project LLC, a corporation, hereinafter referred to as the "Principal", located at 15th Floor, 1040 West Georgia St., Vancouver, BC V6E 4H1 and organized and existing under the laws of the State of Delaware and licensed to do business in the State of Alaska, and their Surety, Lexon Insurance Company, a corporation, hereinafter referred to as the "Surety", located at 10002 Shelbyville Road, Suite 100, Louisville, KY 40223 and organized and existing under the laws of the State of Texas and licensed to do business in the State of Alaska, are held and firmly bound unto the State of Alaska, Departments of Natural Resources and Environmental Conservation, hereinafter referred together as "the State", in the sum of One Million Four Hundred Nine Thousand Nine Hundred Fifty-Nine and 00/100 USD (\$1,409,959.00) for the payment of which sum we hereby jointly and severally bind ourselves, our successors, and assigns.

WHEREAS, the above named Principal has applied for or received a reclamation plan approval as defined pursuant to the Alaska Reclamation Act (AS 27.19) and its attendant regulations, 11 AAC 97.

WHEREAS, the above named Principal has applied for or received an integrated waste management permit ("Permit"), as defined pursuant to AS 46.03.100, Waste Management, Disposal and Discharge Authorization and its attendant regulations, 18 AAC 15 and 18 AAC 60.

NOW, THEREFORE, the conditions of this obligation are such that if the above bonded Principal shall comply with all state laws and regulations applicable to the bonded mining operation, as well as orders of the State of Alaska Departments of Natural Resources ("DNR") and Environmental Conservation ("DEC"), and shall faithfully meet the terms, conditions, and stipulations of their approved reclamation plan and Permit, as amended from time to time, and of this bond, and if the State finds that the land upon which the mining activity has been conducted during the term of this bond has been satisfactorily reclaimed, the State shall release the Principal and Surety to the extent that the State determines the reclamation to have been accomplished, and as authorized by 11 AAC 97.435 and 18 AAC 15.090, or until the reclamation plan and Permit have been transferred in accordance with 11 AAC 97.445 and condition 2.9 of Waste Management Permit No 2013-DB0001.

The obligation under this bond shall continue until released in writing by the State in accordance with 11 AAC 97.435. No revision, extension, or renewal of the reclamation plan or Permit or of the time allowed to complete reclamation and monitoring shall diminish the Surety's obligation hereunder. The Surety shall not cancel this bond during its term, except that coverage for undisturbed land may be canceled if the DNR approves in accordance with 11 AAC 97.435. The

DNR may approve replacement of this bond in accordance with 11 AAC 97.400-410. In the event of replacement or cancellation of this bond after the term expires, the period of liability remains in effect with respect to reclamation of all areas disturbed before the effective date of the replacement or cancellation unless the State accepts a substitute bond which assumes liability for all obligations or liabilities which arose while this bond was in effect.

The Surety must promptly notify the State and the Principal of any action filed alleging the insolvency or bankruptcy of the Surety or alleging any violations which could result in suspension or revocation of the Surety's right to do business in Alaska. Upon the incapacity of the Surety by reason of bankruptcy, insolvency, or suspension or revocation of its license, the Principal shall be deemed to be without bond coverage.

The Principal must promptly notify the State and the Surety of any action filed alleging the insolvency or bankruptcy of the Principal or alleging any violations which could result in suspension or revocation of the Principal's right to do business in Alaska.

The failure of the Principal to fulfill any of the obligations specified by AS 27.19, 11 AAC 97, AS 46.03.100, 18 AAC 15, 18 AAC 60 or the approved reclamation plan and Permit, shall result in forfeiture of this bond or relevant portion thereof consistent with AS 27.19.040(c), AS 27.19.070(c), and 18 AAC 60. Upon the Surety's receipt of a notice of the Principal's default from the State, the Surety shall promptly pay the face value or relevant portion of this bond to the State. The Surety expressly agrees that upon receipt of a notice from the State of the Principal's default, the Surety will transfer to the State no less than fifteen (15%) of the total bond amount within 30 days of receipt of the notice.

WITNESS OUR HANDS AND SEALS THIS 19th day of April, 2013.

PRINCIPAL

Niblack Project LLC
15th Floor, 1040 West Georgia Street

By [Signature]
Signature of Officer

Vancouver, BC V6E 4H1
Mailing Address

Officer Name (printed) Patrick R. Smith

Title Chairman

Subscribed and sworn to before me this 24th day of April, 2013

[Signature]
Signature of Notary

(Notary Seal)

Notary Public in and for British Columbia
My commission expires does not expire

XENIA KRITSOS
Barrister & Solicitor
15th Floor - 1040 W. Georgia Street
Vancouver, BC V6E 4H1

SURETY

Lexon Insurance Company

By

Brook T. Smith
Signature Brook T. Smith

10002 Shelbyville Road, Suite 100
Louisville, KY 40223

Mailing address

Title Attorney-in-Fact

Subscribed and sworn to me this 19th day of April, 2013.

Jackie C. Koertz
Signature of Notary

(Notary Seal)



Notary Public in and for Jefferson County, State of Kentucky

My commission expires 02/13/2016

Name, address, and telephone number of resident agent of the surety:

Smith-Manus

2307 River Road, Suite 200, Louisville, KY 40206 502-636-9191

APPROVED:

Alaska Department of Natural Resources

By *Brent Goodrum*
Brent Goodrum, Director,
Division of Mining, Land and Water

2 MAY 2013
Date

Alaska Department of Environmental Conservation

By *Michelle Bonnet Hale*
Michelle Bonnet Hale, Director,
Division of Water

5-3-2013
Date

INSTRUCTIONS

1. The Surety must be a corporate Surety licensed to do business in Alaska.
2. The legal capacity (i.e., corporation, partnership, or sole proprietorship) of the Principal must be stated in the bond.
3. If the Principals are partners, their individual names must appear in the space provided, with the recital that they are partners comprising a firm, naming it, and all members of the partnership shall execute the bond as individuals.
4. When this bond is executed by a corporation, either as surety or as Principal, the bond must be executed by a duly authorized officer, and the officer must submit evidence of his or her authority to act for the corporation.
5. If the Principal is jointly owned, but is not a partnership, the firm name must appear in the bond and all owners must sign the bond.
6. When any of the parties executes this bond through an agent, a power of attorney or other evidence of authority must accompany the bond.

POWER OF ATTORNEY

COPY
LX - 068539

Lexon Insurance Company

KNOW ALL MEN BY THESE PRESENTS, that LEXON INSURANCE COMPANY, a Texas Corporation, with its principal office in Louisville, Kentucky, does hereby constitute and appoint: Brook T. Smith, Mark A. Guidry, Raymond M. Hundley, Jason D. Cromwell, James H. Martin, Sandra L. Fusinetti, ****

Myrtie F. Henry, Deborah Neichter, Jill Kemp, Jackie C. Koestel, Sheryon Quinn, Dawson West, Bonnie J. Wortham, Amy Meredith, Lynnette Long, Barbara Duncan **

its true and lawful Attorney(s)-In-Fact to make, execute, seal and deliver for, and on its behalf as surety, any and all bonds, undertakings or other writings obligatory in nature of a bond.

This authority is made under and by the authority of a resolution which was passed by the Board of Directors of LEXON INSURANCE COMPANY on the 1st day of July, 2003 as follows:


Resolved, that the President of the Company is hereby authorized to appoint and empower any representative of the Company or other person or persons as Attorney-In-Fact to execute on behalf of the Company any bonds, undertakings, policies, contracts of indemnity or other writings obligatory in nature of a bond not to exceed \$ 4,000,000.00 Four million dollars ***** dollars, which the Company might execute through its duly elected officers, and affix the seal of the Company thereto. Any said execution of such documents by an Attorney-In-Fact shall be as binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company. Any Attorney-In-Fact, so appointed, may be removed for good cause and the authority so granted may be revoked as specified in the Power of Attorney.

Resolved, that the signature of the President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Assistant Secretary, and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certificate so executed and sealed shall, with respect to any bond of undertaking to which it is attached, continue to be valid and binding on the Company.

IN WITNESS THEREOF, LEXON INSURANCE COMPANY has caused this instrument to be signed by its President, and its Corporate Seal to be affixed this 21st day of September, 2009.



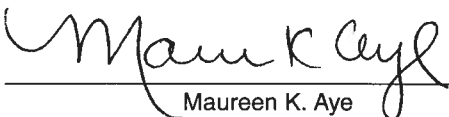
LEXON INSURANCE COMPANY

BY 
David E. Campbell
President

ACKNOWLEDGEMENT

On this 21st day of September, 2009, before me, personally came David E. Campbell to me known, who being duly sworn, did depose and say that he is the President of LEXON INSURANCE COMPANY, the corporation described in and which executed the above instrument; that he executed said instrument on behalf of the corporation by authority of his office under the By-laws of said corporation.

“OFFICIAL SEAL”
MAUREEN K. AYE
Notary Public, State of Illinois
My Commission Expires 09/21/13

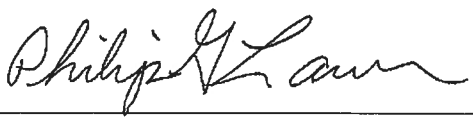

Maureen K. Aye
Notary Public

CERTIFICATE

I, the undersigned, Assistant Secretary of LEXON INSURANCE COMPANY, A Texas Insurance Company, DO HEREBY CERTIFY that the original Power of Attorney of which the foregoing is a true and correct copy, is in full force and effect and has not been revoked and the resolutions as set forth are now in force.

Signed and Sealed at Woodridge, Illinois this 19th Day of April, 2013.




Philip G. Lauer
Assistant Secretary

“WARNING: Any person who knowingly and with intent to defraud any insurance company or other person, files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.”



CORPORATE CERTIFICATE

Heatherdale Resources Ltd.
(the "Corporation")

I, XENIA KRITSOS, Corporate Secretary of Heatherdale Resources Ltd., being the ultimate parent company of Niblack Project LLC, do hereby certify that:

1. effective October 1, 2010, Patrick Smith was appointed as the President and Chief Executive Officer of Heatherdale Resources Ltd.; and
2. effective January 19, 2012, Patrick Smith was appointed as the Chairman and a member of the Management Committee of Niblack Project LLC,

and as such was fully authorized as of that date to execute documents required through the ordinary course of dispensing his duties.

DATED this 17th day of April, 2013

A handwritten signature in blue ink, appearing to read 'X Kritsos', is written over a horizontal line.

Xenia Kritsos
Corporate Secretary

